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OCA-0033

Analysis of Revenue Requirements
and
Alternate Sources of Funding

EAST BAY REGIONAL PARK DISTRICT

" " " " " " - app. exp.
Real prop. tax - ca.



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EAST BAY REGIONAL PARK DISTRICT

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EAST BAY REGIONAL PARK DISTRICT

11500 SKYLINE BOULEVARD/OAKLAND, CALIFORNIA 94619/TELEPHONE (415) 531-9300

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October 12, 1978

Mr. A. Alan Post, Chairman
State Commission on Governmental Reform
State Capitol, Room 1145
Sacramento, CA 95814

Dear Mr. Post:

The enclosed report, prepared under the aegis of a Special Task Force of Alameda and Contra Costa County citizens in cooperation with the District's Board of Directors and staff, offers some workable and long-term solutions for the varied problems faced by this multi-county district since the passage of Proposition 13. We commend it to your study and review.

The East Bay Regional Park District is unique in that it is the only multi-county special park district in the State of California which serves as the county park department for two counties, with neither county then requiring such a department. It also serves about 10% of the State's entire population. Thus, it cannot be compared with the other special districts in the State in its financing or method of operation. The District serves 12 million park visitors annually, with up to 75,000 visitors on a typical weekend day. It has 39 park and recreation areas, many in an urban setting, and maintains its own police, fire, park operations, sanitation, road maintenance, and vegetation management crews. In addition to providing county and regional park and recreation facilities, the District operates two State parks at Alameda Beach and Del Valle Reservoir near Livermore at its own expense. The State operates but one State park in this area - Mt. Diablo State Park.

Please note in the report that a 1976 professionally prepared survey showed that nine in ten East Bay residents have visited one or more of the regional parks, most within the past year, as well as that 94% consider themselves satisfied with the way the parks are operated.

In 1977-78 the District received \$17 million from a 20-cent property tax levy. This amounted to 82% of its total income. For 1978-79 the State supplied \$6.5 million as a share of the 1% property tax and \$2.6 million from allocations to multi-county special districts from the state surplus or a total of \$9.1 million, 53% of the District's 1977-78 tax fund revenue.

The District has followed the spirit of Proposition 13 by raising user fees and adding some new ones, cutting its work force by 20%, reducing its capital improvement program, and eliminating other programs. Altogether the District has saved \$1.5 million from such reductions. But even before Proposition 13, the District was prudent in its use of funds, utilizing a zero-base budget,

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promoting the use of private capital and private operations of some recreational facilities, coordinating its programs with those of cities and other districts in the two counties to avoid duplication of services, and making full use of grants and gifts.

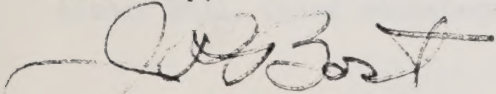
We feel that the District can do a minimum job at about present levels by operating in the future at 80% of its previous operating budget, plus inflation, and by eliminating about 50% of its future capital development and acquisition programs as determined by its approved Master Plan. The 50% capital development and acquisition programs remaining are necessary to complete projects already begun so that money already spent will not be wasted. The District has earmarked and legally restricted funds for a portion of its capital development and acquisition programs and, therefore, will need no additional tax funds for this purpose for the next four years, although additional funding will be needed thereafter.

The District will urgently need a continuing pro-rata share of the 1% property tax, together with other state funding in order to meet the ongoing operation and maintenance requirements. Furthermore, the District's capital assets, now valued at more than \$100 million at purchase prices, must be maintained acceptably or there will be an accelerated deterioration of these properties. Should funding not be available the result would be drownings, crime in the parks, litter, vandalism, looting, and deterioration of buildings, roads, and recreational facilities - losses which would be deeply felt by the entire Bay Area.

To fund operations and maintenance at 80% will require \$10 million plus an appropriate allowance for inflation. We request, therefore, that you recommend that the District continue to receive its pro-rata share of the 1% property tax (\$6.5 million in 1978) and that the additional \$4 million or more come from other sources, such as the state surplus, block grants, new local tax revenues authorized by the state, offshore oil monies, or a portion of the State Parks budget.

We commend the enclosed report to you and urge you to consider its recommendations so that this Regional Park District may continue to help make the East Bay area the special place it is.

Sincerely,



Joseph P. Bort, Chairman
Special Task Force
for the
East Bay Regional Park District

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Members of the Special Task Force:

Joseph P. Bort, Supervisor, Alameda County; past President, CSAC; Vice President, Association of Bay Area Governments.

Douglas Barrett, Administrative Assistant to John Henning, California Labor Federation; former Assistant to past Governor Goodwin Knight.

Paul Cobb, Executive Director, OCCUR

Sara Conner, past President, League of Women Voters of the Bay Area.

Joe Coto, Member of the Oakland School Department and former Oakland City Councilman.

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Harlan Geldermann, Developer, San Ramon.

Louise Giersch, Director, East Contra Costa County Real Estate Assn. & past Chairman, Metropolitan Transportation Commission; former Mayor of City of Antioch.

Mel Hing, County Administrator, Alameda County.

Lawrence Hudson, President, Oakland Chamber of Commerce; past Chairman, California Manufacturers Association and Cannery League of California; Plant Manager, Gerber Products Company, Oakland.

Kay Kerr, Vice President of Save San Francisco Bay Association.

Eugene Lee, Director, Institute of Governmental Studies, University of California at Berkeley; Professor of Political Science, U.C. Berkeley.

Dean Leshner, Publisher, Contra Costa Times and other newspapers; Trustee on Board of California State Universities and Colleges.

Putnam Livermore, Attorney, Chickering and Gregory; attorney for National Audubon Society.

Jack Maltester, Former Mayor of San Leandro.

John Martin, Director, University YMCA; Chairman, FEPC, State of California.

Sylvia McLaughlin, Chairman of Advisory Council to the Water Resources Center of University of California; member, National Recreation & Park Association Board of Trustees.

Lawrence Milnes, Assistant City Manager, City of Fremont.

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Jay Ver Lee, Consultant; former Director of Oakland Park & Recreation Department.

David S. Way, Director of Public Affairs, Clorox Company; member, New Oakland Committee.

Arthur Will, Chief Administrative Officer, Contra Costa County.

Advisory to the Special Task Force:

Martin Huff, Director, State Franchise Tax Board.

Richard Simpson, Assistant Vice President, California Taxpayers Association.

EAST BAY REGIONAL PARK DISTRICT

RESOLUTION No. 1978-10-243

October 3, 1978

ACCEPTANCE OF RALPH ANDERSEN & ASSOCIATES REPORT ENTITLED
"ANALYSIS OF REVENUE REQUIREMENTS AND ALTERNATIVE SOURCES OF FUNDING"

WHEREAS, the East Bay Regional Park District was seriously affected by the passage of Proposition 13 and has received but 53% of its 1977-78 tax funds from State actions taken to date; and

WHEREAS, the District has made budget and staff cuts for the 1978-79 fiscal year totaling \$1.5 million, and curtailed its budget by 15% in keeping with Proposition 13 and legislative guidelines; and

WHEREAS, the East Bay Regional Park District is aggressively pursuing avenues which would keep the District solvent, with the ability to continue functioning as an independent multi-county special district operating regional parklands in a two county area; and

WHEREAS, the Board of Directors has commissioned Ralph Andersen & Associates to prepare a report on "Analysis of Revenue Requirements and Alternate Sources of Funding" in conjunction with a Special Task Force; and

WHEREAS, the final draft of that report has been reviewed and approved with amendments by the Special Task Force and referred back to the Board for concurrence in the amendments;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Regional Park District accepts the report by Ralph Andersen & Associates entitled "Analysis of Revenue Requirements and Alternative Sources of Funding", and recommends that it be sent to the Post Commission on Governmental Reform, to legislators representing this area, and to others who may help to achieve the goals indicated in that report.

Moved by Director Howard L. Cogswell, seconded by Director William F. Jardin, and adopted this 3rd day of October, by the following vote:

FOR:	Directors Paul J. Badger, Howard L. Cogswell, Walter H. Costa, William F. Jardin, Mary Lee Jefferds, Harlan Kessel, and John J. Leavitt.
AGAINST:	Directors none.
ABSENT:	Directors none.

CERTIFICATION

I, Harold R. Luhtala, Secretary to the Board of Directors of the East Bay Regional Park District, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 1978-10-243 adopted by the Board of Directors at a regular meeting held on October 3, 1978.

Harold R. Luhtala

78-01827

Analysis of Revenue Requirements
and
Alternate Sources of Funding
EAST BAY REGIONAL PARK DISTRICT

October, 1978

Prepared By

Ralph Andersen and Associates
Sacramento, California

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Chapter I SUMMARY

The East Bay Regional Park District provides an extensive program to urban and rural areas in Alameda and Contra Costa Counties. Overall, the District serves an area comprising close to 10% of the State's population, and its 39 regional parks and related facilities are used by approximately 12,000,000 people annually. The District is unique in that it has the principal responsibility for providing regional parklands and facilities in this 1,000 square mile area, and its program also substitutes for a county park program in both Counties.

Although the District is principally responsible for providing regional parklands and facilities, it also is required to provide police and fire service.

In addition, the District is actively involved in implementing a Master Plan which was prepared and is regularly updated with the assistance of a broad-based citizens committee. Implementation of the Master Plan requires an aggressive program of acquisition and development, and has resulted in District parklands growing from 29,000 to 50,000 acres since 1973.

The District receives some revenue from user fees and other sources, but its principal revenue source has been the property tax. In 1977-78, the District received \$20.9 million in total revenue, of which \$17.2 million was from the property tax. Proposition 13 caused a significant reduction in operating revenue, and totally eliminated funding for acquisition and development of new parklands. In 1978-79, the District will receive \$6.5 million as its share of the 1% property tax revenue pursuant to Proposition 13. The District will also receive \$2.6 million from the State surplus. This combined \$9.1 million is 53% of the \$17.2 million received a year earlier.

The District has undertaken a variety of activities aimed at minimizing the impact of Proposition 13, including a significant increase in user fees and an overall reduction in the District work force of 20%. These efforts have not been sufficient, however, and the District now faces a continuing \$4 million annual differential between general fund revenues and expenditures in order to continue providing service at a level that is already below that provided in 1977-78. In addition, the District needs an additional \$26 million to complete acquisition and development of essential parklands that are part of its Master Plan. This amount is necessary even after the District deleted \$38 million in acquisition, development, and operational costs from its Master Plan as a result of Proposition 13.

The District may be able to identify additional operating efficiencies, but these would not significantly impact the \$4 million annual deficit that is projected. Similarly, some overall economy in providing park and recreation services throughout the region may be possible if the District were to assume the responsibility of smaller special districts and county service areas, but this requires further study and would not materially offset the \$4 million deficit faced by the District at this time.

Unless the District is authorized to impose additional levies at the local level, ongoing assistance from the State will be required in order to avoid further program cuts and to assure continuation of services at presently reduced levels. In this regard, the following alternatives should be considered:

Primary Funding. Because of its significant revenue need and the lack of any local revenue-raising alternative, the East Bay Regional Park District should place principal emphasis on assuring that it receives its fair share of the one percent property tax revenue, and that this amount ~~is~~ supplemented on a continuing basis by a State Block Grant or Revenue-Sharing Program.

Secondary Funding. Secondary sources of funding are not as capable of providing the amount of revenue needed by the East Bay Regional Park District on a continuing basis, and some are not as desirable at the present time given the spirit of

Proposition 13. Secondary sources that might be considered by the State include vehicle license fees, off shore oil revenues, and gasoline tax revenues.

Emergency Funding. Although clarifying legislation may be necessary, the District could consider imposing a regional park operations and maintenance fee on an emergency basis. The fee could apply to all parcels of property in its two county area, and would amount to approximately \$7.50 per parcel if \$4 million in additional revenue was required. This alternative has been rejected at this point by both the District Task Force and Board of Directors as not being in the spirit of Proposition 13.

Capital Outlay Funding. The East Bay Regional Park District currently has no local authority to raise capital outlay funds. Several alternatives are available to the State, however, including State Park Bonds, Roberti Open Space Funds, and expansion of the Coastal Energy Impact Program.

In final perspective, the East Bay Regional Park District is providing service that is below pre-Proposition 13 levels and, even with State assistance in 1978-79, must operate with only 53% of the property tax revenue it had a year earlier. The District does not have the clear ability to help itself insofar as raising needed revenue is concerned and, therefore, is turning to the State for assistance.

At a minimum, the District needs to continue to receive its share of the 1%, as well as to receive approximately \$4 million from a new State revenue-sharing program. Without State revenue-sharing, the District will be required to further curtail operating expenditures, and such additional program cuts would amount to 31% of the current reduced program by 1981-82. Cuts of this magnitude could only be achieved by closing parks and eliminating maintenance to a degree that would jeopardize the investment that has already been made by residents of the two urban counties that comprise the East Bay Regional Park District.



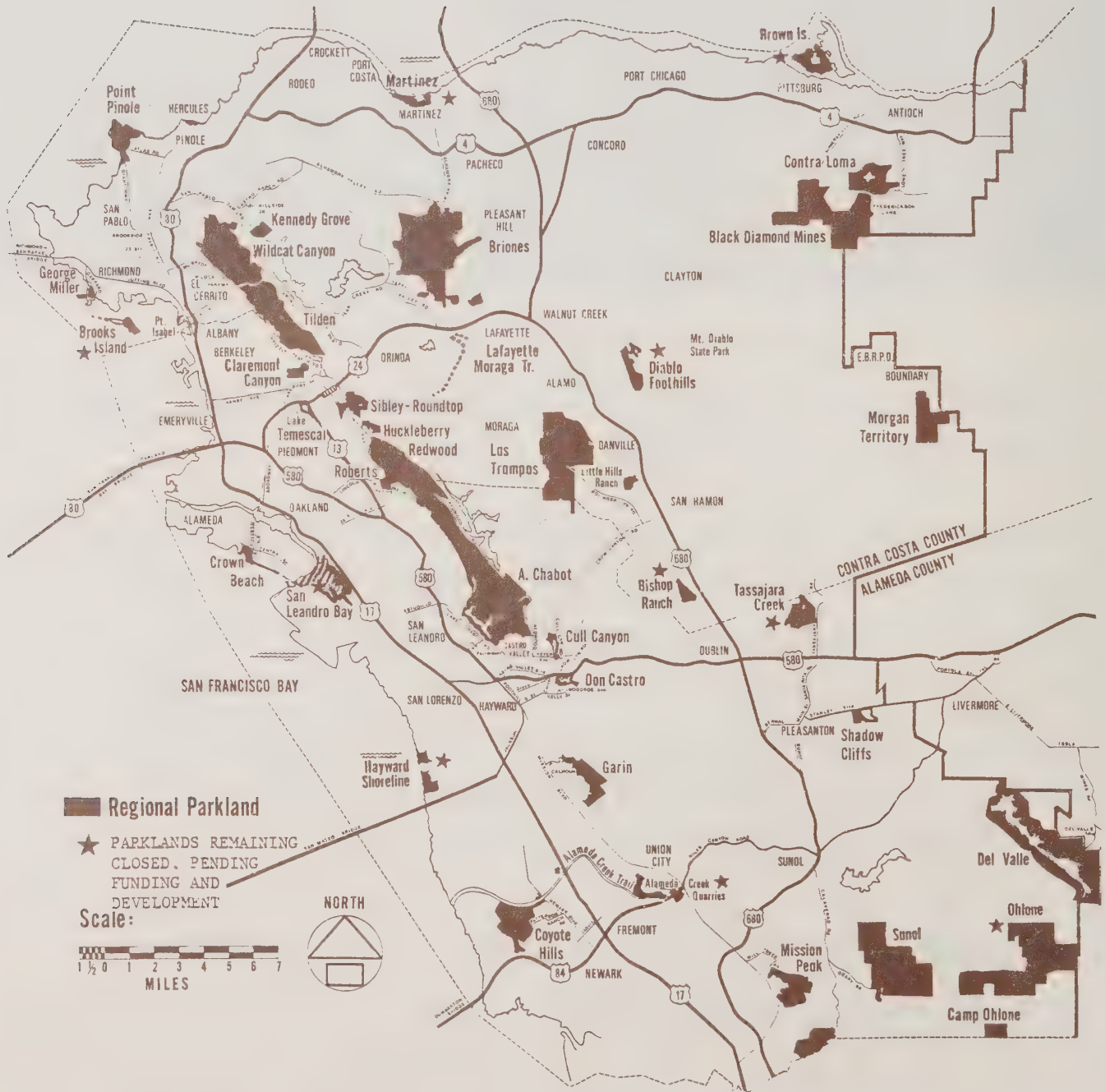
Chapter II AN INITIAL PERSPECTIVE

The District Provides An Extensive Program of Services And Facilities To Urban and Rural Areas in Alameda and Contra Costa Counties

Regional parklands and related facilities in Alameda and Contra Costa Counties are the primary responsibility of the East Bay Regional Park District. As indicated by the map on Exhibit 1, the District operates a variety of facilities in these two urban counties, neither of which have a county park department. The facilities are strategically located throughout the two counties so as to serve heavily populated urban areas, as well as provide access to differing parts of the natural environment.

The magnitude of the program, which serves close to 10% of the State's population, can be briefly summarized, as follows:

EAST BAY REGIONAL PARK DISTRICT Principal Parkland Facilities



	<u>Population Served</u>	<u>Number of Regional Parks</u>	<u>Acres of Regional Parks</u>	<u>Est. Annual Users</u>
East Bay Reg. Park District	1,700,000	39	50,000	12,000,000

Facilities provided by the District on a year-round basis also illustrate the extensive role played by the District in serving the recreational needs of these two rapidly growing urban counties. These facilities are summarized in Exhibit 2, and include:

- . 40 major group reservable picnic areas and 2,000 family picnic barbecue units serving 3,200,000 picnickers a year.
- . 11 fresh water lakes and 27 miles of San Francisco Bay shoreline which provide an aquatic environment for swimming, sun bathing, fishing and boating serving an estimated 3 million users a year.
- . 400 miles of trails for hikers, walkers, bicycle riders, equestrians and joggers serving an estimated 4 million users annually.
- . 15 major recreational concessions, including two major 18-hole golf courses, an antique Merry-Go-Round, a marksmanship range, a model steam train ride, three equestrian centers, and rental boating facilities serving in excess of 1 million users annually.

EAST BAY REGIONAL PARK DISTRICT

Activities and Facilities

ARCHERY --Briones,
A. Chabot, Redwood



BEACHES --R.W. Crown,
Cull, Contra Loma,
Del Valle, Don Castro,
G. Miller, Pt. Pinole,
Shadow Cliffs, Temescal,
Tilden (Anza)



BICYCLING --Alameda
Creek Trail, L. Chabot,
Coyote Hills, Miller,
Pt. Isabel, Pt. Pinole,
Shadow Cliffs, Tilden



BOATING --L. Chabot,
Contra Loma, Cull, Del
Valle, Don Castro,
Shadow Cliffs



FAMILY CAMPS --A.
Chabot (Las Cumbres),
Del Valle, Sunol (first
come, first served)



FISHING --L. Chabot,
Contra Loma, Crown, Cull,
Del Valle, Don Castro,
Miller, Pt. Isabel, Pt.
Pinole, Shadow Cliffs



GOLF --A. Chabot
(Willow Park Public Golf
Course), Tilden (leased
facilities)



HIKING --All Parklands



HORSE TRAILS -- All parks
except Brooks Island,
Claremont Canyon, Coyote
Hills, R.W. Crown, Huckle-
berry, Kennedy Grove, Pt.
Isabel, Temescal



LAKES --Chabot, Contra
Loma, Cull, Del Valle, Don
Castro, Shadow Cliffs,
Temescal, Tilden (Anza,
Jewel)



LITTLE FARM --Tilden



MARKSMANSHIP--Only
at A.Chabot Marksmanship
Range



MEETING ROOMS--Tilden



MERRY-GO-ROUND--Tilden



MODEL RAILWAYS --Tilden



NATURE PROGRAMS--
Coyote Hills, R.W. Crown,
Sunol, Tilden, Black
Diamond



PICNICKING--All parklands



PONY RIDES --Tilden and
A.Chabot Equestrian Center



SWIMMING--Contra Loma,
R.W. Crown, Cull, Del
Valle, Don Castro, Little
Hills, G. Miller, Roberts,
Shadow Cliffs, Temescal,
Tilden (Anza)



BARRIER FREE--
Chabot Marina, Contra
Loma, Coyote Hills,
Del Valle, Kennedy
Grove, Pt. Pinole,
Redwood, Shadow Cliffs,
Sunol, Tilden



ACTIVITIES

- . 5 nature and environmental education centers staffed by professional naturalists serving an estimated 300,000 users a year.

In addition to specific programs and facilities, the District provides access to open space and Bay shoreline, and also serves as a natural preserve for significant plant communities and wildlife.

The Role Of The District In Alameda And Contra Costa County Is Unique

Local park and recreation programs are the responsibility of 26 cities, 8 special districts, and 9 county service areas in Alameda and Contra Costa County. Additional park and recreation facilities are provided by the East Bay Municipal Utility District which also serves Alameda and Contra Costa County. However, the responsibility for providing both county and regional parklands and facilities is assumed principally by the East Bay Regional Park District.

In addition to this regional responsibility, there are other factors which make the East Bay Regional Park District unique. For example:

- . The District operates the most comprehensive park program of any agency in Alameda and Contra Costa County. Its activities are more diverse, and encompass Bay shoreline, inland peaks, and unique regional resources such as the Black Diamond Mines.

- . The District supplements local activities in urban areas through numerous cooperative programs with individual cities and others. Not only are regional parklands acquired and developed in urban areas, but more than 400 miles of trails and other facilities have been developed in cooperation with local officials as a supplement to their individual and more specialized park and recreation programs.
- . The District program substitutes for a county park program in both Alameda and Contra Costa Counties. Unlike all other urban counties in California, neither of these two counties have established a separate park program. To avoid costly duplication, they have delegated this responsibility, by majority public vote in both counties, to the East Bay Regional Park District.
- . The District operates two State Parks (Del Valle and Crown Beach), in addition to its own regional facilities. The only park in the two-county District area that is operated by the State is Mt. Diablo State Park.
- . The District is the only agency in Alameda and Contra Costa County that has the authority to implement a regional park system. It is not dependent on the voluntary cooperation of other agencies to implement its program.

While the District works closely with both the public and private sector, there is no question but that others look to it to provide leadership in terms of acquiring, preserving, and developing lands for regional recreational use in Alameda and Contra Costa Counties.

The District Has Assumed Increasing Responsibility Since Its Establishment In 1934

Initial formation of the East Bay Regional Park District was authorized by seven Alameda County cities in 1934. In 1964, the responsibilities of the District were extended to Contra Costa County. Since its establishment in 1934, various annexations have expanded the service area of the District so that it now encompasses virtually all of Alameda and Contra Costa Counties, including the heavily populated urban centers in these two counties.

The State Legislature has also increased the legal responsibility of the District. The District was initially established pursuant to provisions in the Public Resources Code (Sections 5500 et. seq.), but these provisions have been regularly modified and expanded as population growth and regional recreation needs have occurred. For example, when the District was first established, it received basic authority to operate a regional park program. Today, however, the District has broad authorization to engage in programs dealing with open space preservation, vehicular recreation, and ecological preserves, and it has additional implementing authority such as the ability to condemn land for park and trail purposes. Because of the nature and magnitude of its program and resources, the State Legislature has also required the District to provide police and fire protection for its facilities.

The growth in District service area and legal responsibility has paralleled the urban growth that has occurred in Alameda and Contra Costa Counties. The District has responded to this growth by developing a balanced parkland program which has served an increasing number of users each year.

District Activities Have Been Undertaken Pursuant To A Master Plan

To guide the acquisition, development, and operation of District facilities, a comprehensive Master Plan was adopted by the District's Board of Directors on December 4, 1973.

Among other things, the Master Plan sets forth the following objectives as a framework for District operations and activities:

- . To provide a land and water system of regional park, recreation areas, wilderness, preserves, trails and shoreline and services which will provide District residents with diverse opportunities for creative use of outdoor leisure time.
- . To acquire and preserve significant examples of the natural environment, biological and geological resources and outdoor heritage which exist within the boundaries of the District.
- . To cooperate with other public agencies in the acquisition, preservation and management of non-park open space lands.
- . To give emphasis to both environmental and regional recreation values in formulating District programs, yet sensitively balance environmental and regional recreation concerns within the system of parklands operated by the District.

On an overall basis, the Plan sets forth a program for the equitable distribution of regional parklands in accordance with procedures that give consideration to different types of parkland use, including:

- . Regional Parks
- . Regional Wilderness Areas
- . Regional Recreation Areas
- . Regional Shorelines
- . Regional Preserves
- . Regional Trails

This comprehensive approach to planning for current and future regional parkland facilities resulted from a process that relied heavily on public involvement. For example, an 83 member Citizen Advisory Committee, representing all segments of the community, met regularly to review and refine the plan. Similarly, a 60 member Public Agency Advisory Committee was appointed as a way of involving principal public agencies who had some interest in or impact on park programs. The Committee included representatives from Alameda and Contra Costa Counties; all 26 cities in the two counties; the State Department of Parks and Recreation; regional agencies such as the Association of Bay Area Governments, Metropolitan Transportation Commission, and the East Bay Municipal Utility District; and related special districts such as the Hayward Area Recreation District, Pleasant Hill Park and Recreation District, Alameda County Water District, Contra Costa Water District, and the Valley Community Services District. Public involvement was also obtained during 21 public hearings on the Master Plan, as well as from numerous letters from groups and individuals that were received during the planning process.

Implementation Of The Master Plan Has Involved A Broad Spectrum Of The Community, Including Governmental Agencies, Citizen Groups, And The Private Sector

Citizen support for park and open space programs has been demonstrated repeatedly in Alameda and Contra Costa Counties. For example:

- . The statewide vote was 51.5% favorable for the 1976 State, Urban, and Coastal Bond Act (Proposition 2). Alameda and Contra Costa Counties approved the measure with a 61.5% favorable vote.
- . Local elections have also supported public open space and park acquisition. In 1970, the residents of Dublin-San Ramon approved a \$2.3 million bond issue for park acquisition and development with an 80% favorable vote. In 1974, Walnut Creek obtained a 68.3% favorable vote for a park and open space bond issue for \$6,750,000. Concord received a 73% favorable vote for a \$1,950,000 open space bond issue in 1977.

The involvement of citizens in park planning and implementation of its Master Plan has been a basic element of District operations and activities. Not only is the Master Plan the product of substantial citizen involvement, but its implementation is now guided by a series of Citizen Committees, such as:

- . Park Advisory Committee
- . East Bay Area Trails Council

- . Affirmative Action Advisory Committee
- . Employee Training Advisory Committee
- . Volunteer Program Committee
- . Lafayette/Moraga Trail Citizens Advisory Committee

The East Bay Regional Park District has also sought to integrate the activities of other governmental agencies and the private sector in its overall park program. With respect to other public agencies, the District has a long record of joint and cooperative programs which are designed to supplement local park activities as well as implement the District Master Plan. For example:

Cooperative Programs

- . San Leandro Bay Regional Shoreline (Port of Oakland, Alameda County Flood Control and Water Conservation District, East Bay Municipal Utility District, Pacific Gas & Electric Company, Cities of Oakland and Alameda, and the State Lands Commission)
- . Lafayette/Moraga Regional Trail (Cities of Lafayette and Moraga, East Bay Municipal Utility District, Central Contra Costa Sanitary District, Pacific Gas & Electric Company, and Caltrans)
- . Mission Peak Regional Preserve (City of Fremont, Ohlone Community College, and Santa Clara County)
- . Ridgeland Study (Association of Bay Area Governments, Bureau of Outdoor Recreation, Alameda County, Contra Costa County, Santa Clara County)

Joint Powers Agreements

- . Coyote Hills Regional Park (Cities of Newark, Union City, Fremont, and Hayward and the County of Alameda, assisted by Alameda County Flood Control and Water Conservation District, U.S. Army Corps of Engineers, and U.S. Fish and Wildlife Service)

- . Martinez Regional Shoreline (Martinez and East Bay Regional Park District, assisted by the State Lands Commission and the State Legislature)
- . Hayward Regional Shoreline (Hayward, Hayward Area Recreation District, and San Lorenzo and Hayward Unified School Districts, assisted by Caltrans and Bay Conservation and Development Commission)

The District has also aggressively sought the cooperation and assistance of the private sector in its overall activities. This has resulted in gifts of money and land from various groups, including Kaiser Sand and Gravel, Santa Fe Railroad, Lone Star Industries, Standard Oil Company, and the Pacific Gas & Electric Company.

Although the District is a separate governmental entity, its activities are closely coordinated with and reflect input from a broad array of groups and individuals in Alameda and Contra Costa Counties. As a result of this joint effort and activity, the District has implemented approximately 50% of the acquisition and development goals set forth in its 1973 Master Plan. Land holdings alone have increased from 29,000 acres to 50,000 acres during this time. Importantly, 19% of the District's new parklands represent land acquired from other public agencies, either by deed or long-term agreement, at no cost to the District. In addition, most of these lands serve a multi-use purpose, such as watershed, flood control, or utility corridors.

The District Has Regularly Sought To Evaluate The Impact Of Its Overall Program

The District has not only sought to directly involve citizens in its overall activities, but it has also demonstrated an interest in public surveys as a way of evaluating and improving its performance.

The District's Master Plan provides that the District shall maintain an ongoing park demand monitoring program, including opinion and marketing surveys. In this regard, a two-phase professional research need and demand study was conducted by an independent research firm on behalf of the District in 1976. According to officials of the research firm, the survey results have a statistical accuracy that is within 3%.

Important specific findings are summarized below:

- . Usage of the EBRPD parklands is high among all population sub-groups throughout the District. Substantial majorities of residents from all educational and income levels, age categories, racial sub-groups, and all other demographic categories use the parklands.
- . The overwhelming majority of EBRPD adult residents have visited one or more of the District's parks. Nine in ten (90%) have been to an EBRPD park.
- . Adults are most likely to use parks located within 25 miles of their place of residence.
- . Nearly seven district adults in ten (68%) have visited an EBRPD park within the past year. About two in ten (22%), although they have been to an EBRPD park at one time or another, have not visited a District park within the past year.
- . Adults make an average of six visits to the District's parks per year.
- . In total, more than eight District adults in ten (85%) are aware of the East Bay Regional Park District.
- . Among those who use the EBRPD parklands, satisfaction with the parks and what they have to offer is at very high levels.
- . Better than six Park Users in ten (62%) say they are very satisfied with the parks and what they have to offer. An additional three in ten (32%) consider themselves somewhat satisfied with what the parks have to offer.
- . Levels of dissatisfaction are quite low. Fewer than one in twenty (4%) say that they are somewhat dissatisfied with their experience with the parks, and only 1% of EBRPD Park Users are very dissatisfied with the District's parks.

- . The principal reasons why 10% of EBRPD adults have never visited any of the District's parks have little to do with specific criticisms of the parks themselves.
- . Personal security within a park is a key item of importance to EBRPD adults. Nine in ten (91%) rate protection against crime a very important consideration in selecting a park to visit.

The District has also sought to evaluate the economic impact of its program on Alameda and Contra Costa Counties. In this regard, a fiscal impact report concerning "The Economic Benefits Generated For The East Bay Community By Its Regional Park System" was recently prepared for the District. This 1978 study resulted in the following conclusions:

- . The direct and indirect economic benefit of East Bay Regional Park District programs "lies between \$23.6 million and \$65.2 million ... The significant point is that under the most conservative assumptions, benefits of \$23.6 million far exceed the \$16.3 million collected last year from property taxes, subventions, user charges, and fees."
- . "In addition, there is a well documented economic benefit through the increase in values (of perhaps 3 percent to 9 percent on the average) of residential properties within one-half mile or so from all regional parks."
- . "There is also the economic, but unmeasurable, benefit EBRPD provides on increasing the East Bay's competitive ability to attract new industry."

The above studies, among others, provide a factual basis for evaluating overall use and benefit of East Bay Regional Park District facilities and programs.



Chapter III DISTRICT ORGANIZATION AND STAFFING

The District Is Governed By A Seven Member Board of Directors Who Are Directly Elected

The Directors are elected from wards and serve four-year overlapping terms.

Specific duties and responsibilities of Directors are referenced in various sections of the Public Resources Code. Overall, the Board is the policy-making body for the District. As such, it is responsible for establishing District goals and objectives, as well as monitoring District performance.

The Board selects a General Manager, Controller, and Secretary who are responsible for the daily management of District activities. In addition, the Board appoints a Park Advisory Committee which includes citizen representatives, as well as representatives from cities, counties, and regional agencies in Alameda and Contra Costa Counties. The Park Advisory Committee currently has

29 members, and is divided into sub-committees dealing with capital improvements, master plan, public safety, and parkland use.

The District Board meets on the first and third Tuesdays of each month, and all meetings of the Board are open to the public.

A General Manager Has Overall Responsibility For Day-to-Day Operations

The General Manager is appointed by the Board of Directors, and is responsible to the Board for the day-to-day management of the District. The major operational responsibilities of the General Manager include preparation and submittal of the District's financial program and budget, the supervision of all District personnel, insuring adherence to the District's Master Plan, providing administrative direction for all District operations, and the general functioning of the District in accordance with the objectives for which it was established.

The General Manager is assisted by a management Executive Committee which includes the Assistant General Manager, Chief of Administration, and Chief of Land Acquisition. Although each of these three individuals works closely with the General Manager on overall District programs and activities, each also has a specific area of responsibility.

The Assistant General Manager supervises District activities in the areas of Park Operations and Maintenance, Public Safety, and Planning and Design. The coordination of these three areas, which includes the majority of District staff and budget, also requires close coordination with other public agencies and numerous special interest groups who use park facilities and are interested in their development and operation.

The Chief of Administration provides overall direction and supervision in those matters assigned to the Controller and Personnel Officer. In addition, the Chief of Administration is responsible for dealing with the District's two bargaining units (AFSCME, Local 2428; Operating Engineers, Local 3), as well as with unrepresented employees, confidential employees, and the management group.

The Chief of Land Acquisition oversees all District activities relative to the acquisition of parkland to meet the goals of the Master Plan. These activities include negotiations with landowners, drafting and review of contract provisions, and financial evaluations.

District Activities Are Divided Among Seven Principal Areas

As indicated by the organization chart on Exhibit 3, the General Manager is assisted by four operational chiefs who oversee park operations in seven principal areas. These areas are, as follows:

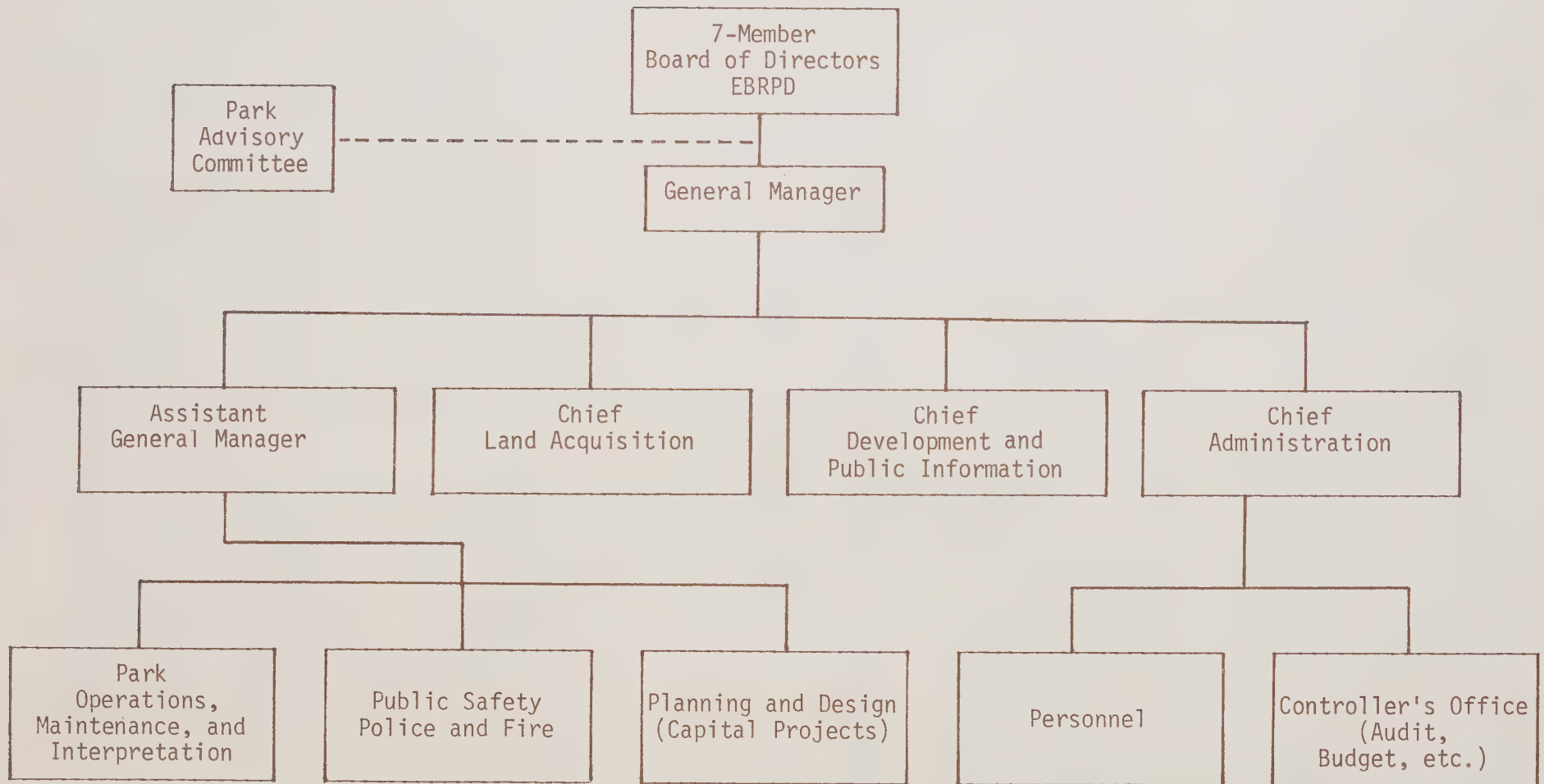
- Parks

Overall operations are guided by the Chief of Parks and Interpretation, assisted by a Park Operations Superintendent, Park Maintenance Superintendent, and three technical specialists in the areas of land management, water management, and interpretation. The number of employees in this area fluctuates widely throughout the year, with a large number being hired for three, six, or nine month periods. This area of District activity encompasses the largest portion of the overall work force, and it is responsible

EAST BAY REGIONAL PARK DISTRICT

Organization Chart

Exhibit 3



for providing most of the direct service to the public.

The 1978-79 staffing level for this area includes 215 permanent and 117 seasonal employees.

. Public Safety

The public safety area has responsibility for providing police and fire service to all regional parklands and facilities.

With respect to police, the District employs 45 full-time and 7 part-time personnel. This work force was responsible for handling over 4,000 requests to assist the public during their visits to parklands in 1977. Additionally, they investigated over 5,500 complaints concerning offenses committed on parklands.

Fire service is provided by 2 full-time employees, who are assisted by 50 employee volunteers who have other regular jobs at the District, but respond as needed to fires and other emergencies. In 1977, District fire personnel suppressed more than 200 fires on park property, and performed over 100 rescue operations involving injured park visitors.

A helicopter unit gives support to both police and fire services. District helicopters fly seven days a week over all District parklands. During 1977, helicopter crews assisted in reporting more than 40 fires, and they worked with ground crews in controlling some 51 other fires in the

1,000 square mile area of the District. Nearly 30 people were rescued by helicopter last year, several of whom could have died had it not been for the speed with which they reached a hospital.

. Planning and Design

This area is responsible for District parkland development, including preparation of plans, specifications, and administration of capital projects; preparation and evaluation of environmental impact reports; maintaining liaison with regulatory and planning agencies; performing long-range planning under the Master Plan; and evaluating proposed parkland acquisitions for compliance with the Master Plan.

In 1977-78, this area bid 40 capital projects, and supervised 21 construction projects totalling almost \$3 million. The District work force in this area consists of 14 full-time employees.

. Land Acquisition

This area has responsibility for the acquisition of all parkland, as well as for District activities with respect to inter-park trail development and management, grazing leases, title transfers, and related activities. In addition, this area determines the availability of land, water, and trails; priority of acquisition; and establishes strategies and objectives to guide the acquisition

process. This area is also responsible for handling encroachment problems, licenses, grants, and title commitments of the District and, in this regard, also handles all condemnation and other legal matters pertaining to land acquisition. Staffing consists of 5 full-time employees.

→ . Public Information and Development

This area has the joint responsibility of disseminating information about District programs and facilities, as well as administering grant programs and related activities aimed at soliciting funds for the District. With respect to public information, the District has a comprehensive program that provides information to the news media, as well as includes exhibits, brochures, speakers bureau, newsletters, and related material. The District has also initiated a variety of fund-raising programs, including individual and corporate memberships, an Inter-County Parks Foundation, and an Adopt-A-Park program. In addition to overseeing these fund-raising activities, this area is also responsible for administering various District grant funds. Staff within this area consists of 5 full-time employees.

• Controller

The Controller is appointed by the Board of Directors and is responsible for the financial processing, accounting, risk management, and material management functions of the

District. Separate units have been established for purchasing; accounting and auditing; data processing; and central stores. Chief responsibilities, in addition to those previously referenced, include administration of the employee benefit and retirement programs, management of the District's investment portfolio, and development and monitoring of the District budget. The District work force in this area consists of 12 full-time employees.

. Personnel

This area is responsible for the recruitment and hiring of all District personnel, with special emphasis on development and implementation of affirmative action and employee training programs. Responsibility for administration of the employee benefits program is a key element of the District employee relations program, and responsibility for administration of the District workers compensation program and pension plan are shared with the Controller. The District work force in this area consists of 4 full-time employees.

Administrative employees, including the General Manager, Assistant General Manager, and Board Secretary total 13. On an overall basis, the East Bay Regional Park District has 315 permanent employees, and 124 part-time employees.



Chapter IV DISTRICT FINANCING

The Property Tax Has Been The Principal Source of Revenue For The District

Revenue received by the East Bay Regional Park District goes into either the General Fund or the Supplemental Land Fund. The General Fund is used to finance the ongoing operation and maintenance of all District activities. The Supplemental Land Fund contains revenues that must be used for implementation of the District Master Plan. As such, revenues in the Supplemental Land Fund are used for the acquisition, development, and operation of new parklands and related facilities.

District revenues for 1977-78 are summarized in Exhibit 4. The only local tax source available to the East Bay Regional Park District under the provisions of the Public Resources Code is the property tax. As indicated by Exhibit 4, the property tax generated \$17.2 million, or 82.3% of total District revenue in 1977-78.

EAST BAY REGIONAL PARK DISTRICT

District Revenue

1977-78

(millions)

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
<u>GENERAL FUND</u>		
Property Tax	\$ 8.6	41.2
Fees and Charges	.9	4.3
Interest Income	.8	3.8
Grants	<u>.1</u>	<u>.5</u>
Sub-Total (General Fund)	10.4	49.8
 <u>SUPPLEMENTAL LAND FUND</u>		
<u>Acquisition</u>		
Property Tax	6.8	32.5
Grants	<u>.3</u>	<u>1.4</u>
Sub-Total (Acquisition)	7.1	33.9
 <u>Development</u>		
Property Tax	1.8	8.6
Grants	<u>1.6</u>	<u>7.7</u>
Sub-Total (Development)	3.4	16.3
 TOTAL REVENUE	 <u><u>\$20.9</u></u>	 <u><u>100.0</u></u>

The Legislature Has Authorized Adjustments In The District Property Tax On Three Occasions

From 1934 until 1964, District operations were funded by a five cent property tax rate which was applied to the assessed value of taxable property within District boundaries in Alameda and Contra Costa Counties. An additional five cent tax rate was authorized by the State legislature in 1964 for a five year period for renovation of older park facilities. This five cent rate was extended for an additional five years in 1969 and, in 1970, it was made permanent and the District was authorized at that time to utilize the revenue therefrom for general operating purposes.

In 1971, an additional ten cent property tax rate was authorized for purposes of establishing a Supplemental Land Fund. The provisions of the legislation required that 80 percent of this additional ten cent levy be used exclusively for the acquisition of new parklands, and that the remaining 20 percent be used exclusively for the development and maintenance of these new parklands. After 1981-1982, this special tax was to continue and the revenue generated thereby could also be used by the District for any operating, development, or maintenance purpose.

District Financing Was Adequate Prior To Proposition 13

Prior to Proposition 13, District projections indicated that adequate revenue would be available to complete the acquisition of new parklands envisioned by the Master Plan, and to operate and maintain all District facilities. More specifically:

. General Fund

Revenue projected from the basic 10 cent operating property tax rate, and the ability to use the revenue generated from the additional 10 cent Supplemental Land Fund tax levy beginning in 1982-83, would have provided adequate revenue to finance District operating and maintenance requirements for the foreseeable future. The amount of revenue provided by these sources would have permitted the District to operate and manage its parks at pre-Proposition 13 levels, and sufficient funds would have also been available to provide the additional services and equipment necessary to operate the new and expanded facilities acquired and developed in response to the Master Plan.

. Supplemental Land Fund

The District Master Plan sets forth a program for the acquisition and development of new parklands that was to be completed by 1981-82. At the present time, approximately 50% of the Master Plan has been completed, and District projections indicate that the revenue available from the special ten cent levy, plus anticipated grant funds, would have made it possible to complete the remaining acquisition and development program by 1981-82.

Proposition 13 Significantly Reduced Operating Revenue, And Eliminated Funding For Acquisition And Development Of New Parklands

Proposition 13 eliminated property tax levies by individual units of local government, and replaced them with an amount equal to 1% of full cash value to

be shared by all units of local government. As a result of Proposition 13, the separate District levies for operations (10¢) and acquisition and development (10¢) were eliminated, and the District will instead receive in 1978-79 a portion of the 1% property tax revenue pursuant to State law.

Prior to Proposition 13, total property tax receipts for the District in 1978-79 would have amounted to approximately \$18 million. One-half of this amount would have been used to finance general fund operations, and the remainder would have been allocated to the Supplemental Land Fund for the acquisition, development, and maintenance of new parklands.

With the passage of Proposition 13, the District now estimates that it will receive only \$9.2 million in property tax revenue in 1978-79. The District has a fiscal year (April 1-March 31) that is different from the July 1-June 30 fiscal year of Alameda County, Contra Costa County, and the State. Because of this, a portion of the \$9.2 million comes from property tax revenue collected by the two counties during their 1977-78 fiscal year, but after the close of the District's 1977-78 fiscal year. Thus, the District will receive some property tax revenue in 1978-79 that is not attributable to its portion of the Proposition 13 required 1% and, thus, will not be available in future years. Similarly, a portion of the 1% allocated to the District in 1978-79 will not actually be received by the District until its 1979-80 fiscal year. This may be seen, as indicated in Exhibit 5.

The figures in Exhibit 5 indicate the following:

- . In 1978-79, total property tax revenue received by the District will be \$9.2 million, or 53% of the \$17.2 million

EAST BAY REGIONAL PARK DISTRICT

Property Tax Revenue

(millions)

	<u>1978-79</u>	<u>1979-80</u>
<u>GENERAL FUND</u>		
1/4 of 1977-78 levy	\$2.2	-0-
3/4 of 1978-79 levy - 1%	4.9	-0-
1/4 of 1978-79 levy - 1%	-0-	1.6
3/4 of 1979-80 levy - 1% (est.)	-0-	5.1
 <u>SUPPLEMENTAL LAND FUND</u>		
<u>Acquisition</u>		
1/4 of 1977-78 levy	1.7	-0-
<u>Development</u>		
1/4 of 1977-78 levy	<u>.4</u>	<u>-0-</u>
 TOTAL PROPERTY TAX REVENUE	 <u>\$9.2</u>	 <u>\$6.7</u>

received by the District in 1977-78. In 1979-80, District property tax revenue is estimated to total \$6.7 million, or 39% of the \$17.2 million actually received in 1977-78.

- . Total property tax revenue in the General Fund will be less in 1979-80 than in 1978-79 because \$4.3 million, representing 1/4 of the pre-Proposition 13 1977-78 levy, will not be available. There is, of course, no assurance at this point that the District will continue to receive any portion of the 1% in future years.
- . No property tax revenue will be available for the Supplemental Land Fund after 1978-79.

In addition to the \$9.2 million the District expects to receive in property tax revenue in 1978-79, the District will also receive an allocation from the State Surplus. The allocation made by the State to the District totals \$2.6 million. Because of differences in fiscal years between the District and the State, however, the District will actually receive \$1.9 million in its 1978-79 fiscal year, and the remaining \$.7 million in its 1979-80 fiscal year. All State Surplus revenue goes into the District's General Fund (none goes to the Supplemental Land Fund), and Exhibit 6 combines State Surplus and property tax revenue to be received by the District in 1978-79 and 1979-80.

As indicated by Exhibit 6, the District will receive \$11.1 million in property tax and State Surplus revenue in 1978-79, which is 62% of the \$18 million anticipated by the District. As indicated previously, \$4.3 million of this

EAST BAY REGIONAL PARK DISTRICT

Property Tax Revenue

and

State Surplus

(millions)

	<u>1978-79</u>	<u>1979-80</u>
<u>GENERAL FUND</u>		
<u>Property Tax</u>		
1/4 of 1977-78 levy	\$ 2.2	-0-
3/4 of 1978-79 levy - 1%	4.9	-0-
1/4 of 1978-79 levy - 1%	-0-	1.6
3/4 of 1979-80 levy - 1% (est.)	-0-	5.1
<u>State Surplus</u>		
3/4 of 1978-79 allocation	1.9	
1/4 of 1978-79 allocation		.7
 <u>SUPPLEMENTAL LAND FUND</u>		
<u>Acquisition</u>		
1/4 of 1977-78 levy	1.7	-0-
<u>Development</u>		
1/4 of 1977-78 levy	<u>.4</u>	<u>-0-</u>
 TOTAL REVENUE (Property Tax and State Surplus)	<u>\$11.1</u>	<u>\$7.4</u>

amount is one-time revenue attributable to 1977-78, and will not be received by the District beyond the 1978-79 fiscal year.

When adjustments are made for the difference in fiscal years, it is apparent that the District will receive in 1978-79 only 53% of the \$17.2 million in property tax revenue it actually received in 1977-78. Of this amount, \$6.5 million or 38% will come from the District's portion of the 1% property tax revenue. The balance, \$2.6 million or 15%, will come from State Surplus revenue.



Chapter V DISTRICT RESPONSE TO PROPOSITION 13

The District Has Undertaken A Variety Of Activities Aimed At Minimizing Expenditures

Anticipating the passage of Proposition 13, the District instituted a hiring freeze in February, 1978 which, among other things, resulted in 111 positions being left unfilled. The overall impact of the hiring freeze, which is still in effect, has been to hold District staffing at a 20% reduced level, as follows:

EAST BAY REGIONAL PARK DISTRICT

Personnel Summary

	<u>1977 Actual</u>	<u>1978 Actual</u>	<u>Reduction</u>	<u>%</u>
12 Month Employees	303	258	45	15%
9 Month Employees	30	25	5	17%
6 Month Employees	52	38	14	27%
3 Month Employees	22	1	21	95%
Lifeguard & Concession Employees	103	87	16	15%
All Other	40	30	10	25%
	<u>550</u>	<u>439</u>	<u>111</u>	<u>20%</u>

In addition to the reduction in personnel, other steps have been taken to reduce expenditures. These steps have included the following:

- . Reduce staff travel
- . Reduce equipment rental
- . Limit hiring of consultants
- . Limit overtime
- . Reduce employee training programs
- . Reduce use of District-owned vehicles
- . Eliminate some capital projects
- . Eliminate normal and preventive maintenance projects

District officials estimate that the combined impact of these cost-cutting measures, including the reduction in personnel, will save the District \$1.5 million annually.

The District Has Attempted To Broaden Its Revenue Base In Several Ways

The District receives revenue from several sources, including the property tax, grants, interest on invested funds, and leases. However, the only source over which the District has any direct control is the imposition of fees and

charges for use of District facilities. In this regard, the District's response to Proposition 13 has not only been to reduce costs, but attempts have also been made to broaden the District revenue base by increasing fees and charges.

For example, parking fees were raised from 75¢ per day to \$2.00 on weekends and holidays, and \$1.00 on weekdays at most parks. Swimming fees were increased to 25¢ for children 12 and under and \$1.00 for all others. Other fees for camping, boating and fishing permits, sale of food, building rentals and other services were also increased. The District also doubled the monthly rental rates for park residences which are occupied by employees who provide extended security and public service when the parks are closed during the night, and instituted a new commute mileage fee for use of District vehicles by employees in management and emergency positions who require use of an official District vehicle beyond the normal work day.

In addition to increasing fees and charges, the District has accelerated existing programs designed to increase the voluntary participation and support of individuals and corporations in regional park programs. For example, the District instituted an individual and family membership program whereby swimming and parking privileges can be purchased annually. A new Adopt-A-Park program is also being established as a way of encouraging corporations and others to contribute to the acquisition and/or development of parkland facilities. These programs supplement the current activities of the District-sponsored Inter-County Parks Foundation which was established to accept gifts of land and money on a tax-free basis. Since its formation, the Foundation has received over \$300,000 in gifts from private foundations, individuals, and other sources such as wills and bequests.

The increase in fees and charges, plus the efforts of the District to obtain increasing support from individuals and business, are expected to generate an additional \$300,000 in 1978-79, and \$500,000 annually thereafter.

Overall, virtually all areas of District activity have shared in the 20% cut in staffing that resulted from Proposition 13. Even with the increase in fees and charges, District service levels in 1978-79 are below those of 1977-78.



Chapter VI DISTRICT REVENUE REQUIREMENTS — A BRIEF ANALYSIS

District Operating Expenditures Will Exceed Annual Revenue Beginning In 1979-80.

District staff have prepared estimates of general fund revenues and expenditures for the next several years, and these are summarized in Exhibit 7.

These estimates assume continuation of the current level of service which, as indicated previously, is below that of 1977-78. As with any financial projection, these estimates and others contained herein are subject to further review and modification, but they represent the best thinking of District staff at this time. In this regard, it is important to note that all estimates contained in this chapter have been reviewed and approved by the Board of Directors of the District.

It is not possible for the East Bay Regional Park District to operate at a deficit. In other words, the District, like any other local agency in California, must relate its expenditures to revenues actually received.

EAST BAY REGIONAL PARK DISTRICT

Financial Projection

for General Fund^(a)

(millions)

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
<u>REVENUES</u>				
Beginning Balance	\$ - (b)	\$.9	\$ -	\$ -
Property Tax	7.1(c)	6.7	7.0	7.4
Fees and Charges	1.8	1.6	1.7	1.8
Interest Income	.9	.7	.6	.4
State Surplus	1.9(c)	.7	-	-
Grants	.8	.2	-	-
Total Revenue	\$12.5	\$10.8	\$ 9.3	\$ 9.6
<u>EXPENDITURES</u>				
Salaries and Benefits	\$ 7.4(e)	\$ 8.0	\$ 9.0	\$ 9.9
Services and Supplies	2.2(f)	2.5	2.8	3.1
Other Operating Costs	.4	.2	.2	.2
Capital Outlay	1.6	.8	.7	.7
Total Expenditures	\$11.6	\$11.5	\$12.7	\$13.9
PROJECTED DEFICIT	\$.9	(\$.7)	(\$ 3.4)	(\$ 4.3)

- (a) Assumes current level of service which is reduced when compared to 1977-78 levels. Also assumes increases in revenues and expenditures to reflect changes in the cost of living.
- (b) As recommended by the Special District Task Force and approved by the Board of Directors, \$5.6 million of the unrestricted general fund balance has been allocated for acquisition (\$4.0 million) and development (\$1.6 million) of new parklands in order to complete essential portions of the District Master Plan.
- (c) Includes 1/4 of 1977-78 levy (\$2.2) and 3/4 of District's 1978-79 share of 1% (\$4.9).
- (d) The District received \$2.6 million from the State Surplus in 1978-79. However, \$1.9 is allocated to 1978-79 and the remaining \$0.7 million is allocated to 1979-80 to reflect actual receipt of payment and differences between the District and State fiscal year.
- (e) Beginning in 1978-79 and thereafter, this item includes salaries formerly allocated to and paid by the Supplemental Land Fund.
- (f) Beginning in 1978-79 and thereafter, this item includes services and supplies formerly allocated to and paid by the Supplemental Land Fund.

Projected expenditures contained herein assume continuation of the present reduced level of service. If the District did not have a beginning balance, however, it would be forced to further reduce its expenditure program in 1979-80 to \$9.9 million which is the amount of revenue expected to be received from all sources in that year. Without additional assistance, the District will face further reductions each year which, in 1981-82, would represent an approximate 31% cut in the program that is projected for that year. These reductions could include some or all of the following measures:

- . Reduce hours or days of operation
- . Close swimming areas
- . Close environmental interpretive centers
- . Further reduce staff
- . Reduce salaries and benefits of current employees

The revenue projections assume that the District will continue to receive its present portion of the 1% property tax levied by Alameda and Contra Costa Counties. Guidelines allocating the 1% revenue in 1979-80 and thereafter have not been adopted by the Legislature, but the magnitude of the District program and its importance to the urban residents in the two counties suggests that the District should continue to receive, at a minimum, its current share of the 1%. Continuation of District sharing in the 1% revenue would recognize the following:

- . The District program is multi-purpose, including police and fire.
- . The District is the principal agency serving the regional park needs of urban residents representing close to 10% of the State's population.
- . The District program substitutes for a separate park program in two counties.
- . The District does not presently have the ability to turn to another revenue source.

As indicated, the revenue projections assume a continuation of the 1% property tax, increased annually at the rate of 5%. Of this amount, 2% is for the inflationary adjustment permitted by Proposition 13, and 3% represents additional increases in revenue attributable to new construction and the transfer of property. Fees and charges are expected to increase in 1978-79 and thereafter, reflecting the recent fee adjustment and subsequent increases that will be made to recognize changes in the cost of living. Interest income assumes a 7.5% return on invested funds, and is expected to decline annually as working capital decreases. The forecast includes revenue from approved grants, but does not assume additional revenue from this source in recognition of the fact that grant funds are normally not available for operating purposes. No revenue is assumed from the State Surplus beyond the \$2.6 million received in 1978-79.

With respect to expenditures, the forecast assumes increases due principally to inflation. District estimates assume that salaries and benefits, as well as services and supplies, will increase 8% annually reflecting changes in the cost of living. These items will also increase moderately due to the anticipated opening of new park facilities. Other operating costs are expected to decline and stabilize, and capital outlay reflects only maintenance projects and anticipated inflationary increases in equipment costs.

On an overall basis, the projections indicate that if the District is to continue providing service at current levels, it will need additional revenue beginning in 1979-80. The need for additional revenue averages \$2.8 million annually over the next three years, and grows to \$4.3 million annually, plus an amount for inflation, in 1981-82.

No New Revenue Will Be Available For Acquisition And Development Of Parklands, And Current Reserves For This Purpose Will Be Exhausted In Several Years

Prior to Proposition 13, ten cents of the District's 20 cent property tax rate went for acquisition, development, and maintenance of new parklands. In authorizing this levy, the Legislature required that 80% of the revenue derived from the ten cent rate be placed in a special acquisition fund, and the remaining 20% in a development fund. Together, these two funds comprised the District's Supplemental Land Fund. Their current status is summarized in Exhibits 8 and 9.

As indicated previously, the District will not receive any property tax revenue for acquisition and development of new parklands beyond a final apportionment of its special 10 cent levy in 1978-79. Furthermore, as

EAST BAY REGIONAL PARK DISTRICT
Supplemental Land Fund

Acquisition

(millions)

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
<u>REVENUES</u>				
Beginning Balance	\$12.8	\$10.3	\$ 5.7	\$ 1.1
Property Tax	1.7(a)	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total Revenue	\$14.5	\$10.3	\$ 5.7	\$ 1.1
<u>EXPENDITURES</u>				
Salaries and Benefits	- (b)	\$ -	\$ -	\$ -
Services and Supplies	- (c)	-	-	-
Debt Service	.4	.3	.3	-
Capital Outlay	3.5	4.0	4.0	1.1
	\$ 3.9	\$ 4.3	\$ 4.3	\$ 1.1
Trail Acquisition	.3(d)	.3	.3	-
Total Expenditures	\$ 4.2	\$ 4.6	\$ 4.6	\$ 1.1
ENDING BALANCE	\$10.3	\$ 5.7	\$ 1.1	\$ -0-

(a) Represents 1/4 of 1977-78 levy.

(b) Beginning in 1978-79 and thereafter, salaries formerly allocated to and paid by the Supplemental Land Fund are included as part of District General Fund expenditures.

(c) Beginning in 1978-79 and thereafter, services and supplies formerly allocated to and paid by the Supplemental Land Fund are included as part of District General Fund expenditures.

(d) \$300,000 for trails acquisition is expected to be spent annually beginning in 1978-79.

EAST BAY REGIONAL PARK DISTRICT
Supplemental Land Fund

Development
(millions)

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
<u>REVENUES</u>			
Beginning Balance	\$ 3.8	\$ 3.2	\$ 1.9
Property Tax	.4(a)	-	-
Grants	1.8	1.8	1.5
Other	-	-	-
Total Revenue	\$ 6.0	\$ 5.0	\$ 3.4
<u>EXPENDITURES</u>			
Salaries and Benefits	\$ -	\$ -	\$ -
Services and Supplies	-	-	-
Debt Service	-	-	-
Capital Outlay	2.8	3.1	3.4
Total Expenditures	\$ 2.8	\$ 3.1	\$ 3.4
ENDING BALANCE	\$ 3.2	\$ 1.9	\$ -0-

(a) Represents 1/4 of 1977-78 levy.

indicated above, the amount of property tax revenue the District expects to receive from the 1% allocation under Proposition 13 is inadequate to finance current operating programs. Without an additional revenue source, therefore, acquisition and development of new parklands will have to be accomplished with existing reserves.

In this regard, District officials have forecast the status of both the acquisition (80%) and development (20%) funds that, together, comprise the Supplemental Land Fund. These forecasts are contained in Exhibits 8 and 9.

Prior to Proposition 13, District estimates indicated that revenues in the Supplemental Land Fund would have totalled approximately \$55 million between 1978-79 and 1981-82. This amount would have come from property taxes, grants, and reserves, and would have been sufficient to complete acquisition and development activities contemplated by the Master Plan.

As indicated by District forecasts, however, the Supplemental Land Fund will not receive revenue from the property tax beyond 1978-79. As a result, the District does not expect to be able to acquire and develop new parkland representing approximately two-thirds of the remaining Master Plan.

The status of the District acquisition program is summarized in Exhibit 10, and this summary indicates the following:

- . At present, the District has spent \$19 million. It has acquired 21,900 acres and completed 13 regional parks.
- . Between now and the end of 1981-82, the District will spend \$13.5 million to acquire 7,800 additional acres and

Acquisition Program

Area	Status Thru September, 1978	Projected Acquisitions Thru March, 1982		Total Thru March, 1982
		Area	Amount	
<u>West Metro</u>				
*Tilden	4,100 acres	Huckleberry	\$ 6.0 million	
*Redwood/Roberts	\$ 8.6 million	*Miller		
*Anthony-Chabot (½)		*Brooks Island		
*Temescal		*Wildcat Canyon		
*Crown Beach		Claremont Canyon		
*Kennedy Grove		*No. Alameda Co. Shoreline		
		*San Leandro Bay		
		*Sibley/Huckleberry		
		No. Alameda Co. Shoreline Trail		
		Pt. Pinole/Martinez Trail		
		*Pt. Pinole		
		Wildcat/Pinole Trail		
<u>Diablo</u>				
*Contra Loma	8,200 acres	*Diablo Foothills	\$ 2.8 million	
*Little Hills	\$ 5.5 million	Morgan Territory		
*Martinez Reg. S/L		*Briones		
		Briones/Las Trampas Trail		
		Briones/Mt. Diablo Trail		
		Las Trampas/Mt. Diablo Trail		
		Las Trampas/East Access		
<u>South Metro</u>				
*Lake Chabot (½)	4,300 acres	*Oyster Bay	\$ 3.7 million	
*Cull Canyon	\$ 4.0 million	*Garin		
*Don Castro		*Alameda Creek Quarries		
		*Mission Peak Ridge		
		Chabot/Garin Trail		
		Niles Canyon Trail		
		Oyster Bay/Coyote Hills		
		Shoreline Trail		
		*Hayward Shoreline		
		Garin to Mission Peak Trail		
<u>Amador</u>				
*Tassajara Creek	5,300 acres	*Sunol	\$ 1.0 million	
*Shadow Cliffs	\$ 1.3 million	*Ohlone Wilderness		
13 completed parks	\$19.4 million	16 completed parks	\$13.5 million	29 completed parks
	21,900 acres		7,800 acres	29,700 acres
				\$32.9 million

*Indicates parks for which acquisition of the minimum acreage will be completed and a logical boundary with suitable access will be established to allow protection, development, and operation of the parkland.

round-out 16 now partially acquired existing regional parks. This \$13.5 million expenditure will essentially exhaust District reserves available for acquisition of new parklands.

Because of Proposition 13, the District proposes to delete \$19 million from its acquisition program by eliminating the following projects from its Master Plan:

- Berkeley Shoreline*
- Ardenwood*
- Big Break
- Port Chicago Shoreline
- Mountain Village
- V.R.A.*
- Vargas Road Plateau
- Pinole Valley
- Sobrante Ridge
- Antioch Sand Dunes
- Point Molate
- Trails (Several inter-park trails dropped)

*These projects may be reconsidered pending resolution of litigation, environmental studies, and the receipt of additional funds.

Deletion of \$19 million for acquisition of new parklands also eliminates the need for an additional \$19 million in development and operational costs associated with these projects. Even after deleting these amounts, however, the District estimates that it will still need an additional \$8.4 million after 1981-82 to complete essential parkland acquisitions, and an additional \$17.9 million to achieve a moderate level of development and operation of these parklands. These needs are summarized in Exhibits 11 and 12.

EAST BAY REGIONAL PARK DISTRICT
Acquisition Funds Between 1982 and 1986

<u>Area</u>	<u>Amount</u>
<u>West Metro</u>	
*Hoffman Marsh/Pt. Isabel	\$2.0 million
*San Pablo/Wildcat Creek Marshland	
*Claremont Canyon	
Pt. Isabel/Emeryville Crescent Trail	
<u>Diablo</u>	
*Black Diamond	\$3.2 million
*Las Trampas	
*Morgan Territory	
*Browns/Winters Island	
*Mallard Slough	
Pleasant Hill/Martinez Trail	
Black Diamond/Mt. Diablo Trail	
<u>South Metro</u>	
*Old Alameda Creek Marsh	\$3.0 million
*Coyote Hills	
*Southern Alameda County Parkland	
Pleasanton/Sunol Ridge Trail	
<u>Amador</u>	
*Del Valle	\$0.2 million
Del Valle/Shadow Cliffs Trail	
	<hr/>
	\$8.4 million
	7,900 acres

12 Completed Parks

*Indicates parks for which the minimum acreage will be completed and a logical boundary with suitable access will be established to allow protection, development, and operation of the parkland.

EAST BAY REGIONAL PARK DISTRICT
Development Funds Needed Between 1981 and 1986*

<u>Area</u>	<u>Amount</u>	
	<u>Development</u>	<u>Operations</u>
<u>West Metro</u>		
George Miller		
San Leandro Bay		
Wildcat	\$ 3.7 million	\$2.0 million
No. Alameda Co. Shoreline		
Pinole/Martinez Trail		
Wildcat Pinole Trail		
<u>Diablo</u>		
Black Diamond		
No. Briones		
Diablo Foothills	\$ 3.6 million	\$1.8 million
Martinez Shoreline		
Mallard Slough		
<u>South Metro</u>		
Alameda Creek Quarries		
Garin		
Dry Creek/Pioneer		
Hayward Shoreline	\$ 4.3 million	\$1.5 million
Mission Ridge		
Oyster Bay		
Garin/Mission Peak Trail		
<u>Amador Valley</u>		
Sunol/Ohlone Wilderness	\$.8 million	\$.2 million
Shadow Cliffs		
Total	\$12.4 million	\$5.5 million

*The above figures are estimates of capital development and additional operation and maintenance costs which would be required over the five year period 1981-86. Additional development funds and operation and maintenance funds would also be necessary in succeeding years.

Chapter VII ALTERNATIVES AVAILABLE TO THE DISTRICT

Based upon our review of District operations, and utilizing forecasts of revenues and expenditures as prepared by District staff, the following conclusions are evident:

- . The District is currently providing a reduced level of service. Service levels in 1978-79 are below those of 1977-78.
- . If the District wishes to avoid further reductions in service levels, it must receive additional general fund revenue beginning in 1979-80. The need for additional revenue averages \$2.8 million annually over the next three years, and grows to \$4.3 million annually, plus an amount for inflation, in 1981-82.

- . After existing reserves in the Supplemental Land Fund are utilized, there will be no monies with which to acquire and develop new parklands. Completion of the Master Plan, including the trails system, will not be possible unless additional funds are provided.

To minimize this problem, the District should review its organization and staffing to determine if additional economies can be achieved. A management study of the District was conducted several years ago by a national consulting firm, and this resulted in certain organizational changes. District operations have also been reviewed by the State Legislative Analyst, and their findings were generally favorable. District staff should supplement these recent studies by further reviewing operations in an effort to identify additional cost-saving possibilities.

Additional economies in the delivery of park and recreation service in the District's two-county area may also be possible by consolidating the responsibilities of some of the smaller special districts and county service areas that now exist. If requested, the District has the ability to assume these additional responsibilities, but further study is needed in order to determine whether overall economies would, in fact, result.

Neither additional operating efficiencies nor consolidation of other agencies will eliminate the District's need for additional revenue. Therefore, the District should seek additional funding assistance in an amount that is sufficient to permit it to continue providing services at current reduced levels, as well as to acquire and develop new parklands on a selective basis.

The District Should Place Primary Emphasis On Assuring That It Receives Its Fair Share Of The One Percent Property Tax Revenue, And That This Amount Is Supplemented On A Continuing Basis By A State Block Grant Or Revenue-Sharing Program

Property Tax

The revenue estimates contained herein assume that the District, as a multi-county agency, will continue to receive a share of the 1% property tax revenue as provided by current law.

Allocation of the 1% will be reviewed again by the Legislature in 1979, and this element of the report is merely intended to emphasize the importance of this revenue source to overall District programs and activities. The unique nature and scope of the District's service program to two major urban counties has been documented previously, and it is assumed that these facts will more than justify continued receipt of the 1% revenues. If, for any reason, these monies were not available in the future, the need for additional general fund revenue would grow from \$4 million to \$12 million annually.

State Block Grant or Revenue-Sharing

The District received \$2.6 million from the State Surplus in 1978-79. Continuation of this form of State revenue-sharing on an annual basis would recognize the following:

- . State surplus revenue is provided as a way to offset the loss of property tax dollars under Proposition 13. It is particularly appropriate in the case of the East Bay

Regional Park District because no alternate forms of revenue are available.

- . Cities and counties presently share in various State revenues, including the gas tax, cigarette tax, and motor vehicle in-lieu fees. If this practice makes sense for cities and counties, it must also make sense for regional agencies who do not have as broad a revenue base, but who must still provide a program of major importance to urban areas.
- . The State has a broader tax base than the East Bay Regional Park District, and clearly has the ability to collect taxes in a more economic and efficient way.
- . In the case of the East Bay Regional Park District, State revenue-sharing in some form also recognizes the fact that the State has made a limited commitment to State parks in Alameda and Contra Costa Counties, and that the regional program of the District has eliminated the need for either county to establish its own park program.

The Governor and members of the Legislature are presently giving consideration to a variety of alternatives whereby additional State revenue can be made available to local agencies. Among other things, they have suggested the income and sales tax because of the ability of these two sources to generate revenue, and the relative ease with which such revenue can be collected. It would be possible for the State to raise its revenue-sharing money from other

sources such as motor vehicle fees or special taxes on sporting goods or other athletic events. However, these taxes are not as productive from a revenue-raising standpoint and, in some cases, would require that new procedures be implemented to collect and administer the tax.

Secondary Funding Sources Should Be Considered In The Event That Amounts Received From The Property Tax Or State Revenue-Sharing Are Inadequate

As indicated above, the District should place first priority on obtaining sufficient revenue from the property tax and State revenue-sharing. These sources will be better able to generate the dollars needed in an equitable and efficient manner. Other sources that might be considered by the State, however, if these primary sources are not adequate include vehicle license fees, off-shore oil revenues, and gasoline tax revenues.

Although Clarifying Legislation May Be Necessary, The District Could Consider Imposing A Regional Park Operations And Maintenance Fee On An Emergency Basis

The legality of this alternative may need to be clarified, but it is a concept that could be pursued on an emergency basis.

The District has the authority at the present time to impose fees and charges, and this is the only major revenue source available to the District that is not affected by Proposition 13. The City of Inglewood has recently established a precedent by imposing a broadly based fee (not a tax) for fire service, an area formerly supported by the property tax. The method of collecting the fee could be the property tax bill, and there is a precedent for this in many communities where sewer, water, and refuse fees are collected by the county along with property taxes. If such a fee was applied to all

parcels of property in the two counties, an annual fee of approximately \$7.50 per parcel would be required to raise \$4 million. This amount could be reduced to the extent that revenue is made available to the District from the State Surplus or other sources.

The advantages of this approach include recognition of the fact that regional parks are provided for all individuals in the region and, to some extent, all would contribute to their operation and maintenance. Because of the large number of parcels, the fee would be relatively low. Similarly, the fee could be collected economically as part of the established property tax collection system.

Disadvantages include the fact that the amount of the charge would not be related to use or ability to pay. Also, the fee would not be tax-deductible as would a property tax.

Several Alternatives Are Available To The State To Assist With Capital Outlay Funds For The Acquisition And Development Of New Parklands

Pursuant to the provisions of Proposition 13, no local agency can issue general obligation bonds, even if 2/3 of the electorate approve. However, there are several alternatives available to the State, including:

- State Park Bonds

With the restrictions placed upon local agencies by Proposition 13, State bond funds will be even more important in the future than they were in the past. To

this extent, the District may wish to consider encouraging the State to place a bond issue on the ballot as a way of obtaining funds needed to complete the District Master Plan.

- Roberti Open Space Funds

The District received in excess of \$2 million from this source over the past three years. Present law permits the District to spend up to 25% of these monies for operation and maintenance of parks previously acquired with these funds. The balance must be used for acquisition and development of new parklands. Continuation of this important program would provide a public indication of support for urban park and open space programs by the State.

- Coastal Energy Impact Program

The District should pursue the possibility of obtaining funds under the Coastal Energy Impact Program. The program was funded at \$10 million in 1978 and is intended to help coastal and bay communities mitigate the impacts of energy development. The program is new, but it could become an important source of grant funds for development of appropriate shoreline park facilities.

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